



# A SUSTAINABLE CONVERSATION

Corporate Sustainability  
Report 2014 [view >](#)

Hang Seng Bank Limited  
Stock Code: 11

## About This Report

### Report Profile

The Hang Seng Bank Corporate Sustainability Report (Report) provides information on Hang Seng Bank's principles and actions as a corporate citizen operating in the financial sector and its relationships with major stakeholders.

This Report describes the Bank's efforts to support the principles of sustainable development during the calendar year of 2014. The Report focuses on the economic, environmental and social issues that have an impact on the sustainability of Hang Seng and that are of interest to stakeholders. The Report supplements the 'Corporate Sustainability' section of the Bank's 2014 Annual Report.

### Report Scope

The content of this Report was defined after taking into account the materiality of sustainability issues arising from Hang Seng's operations in Hong Kong.

Data measurement techniques and the basis of calculations are explained next to the data tables. Financial data is extracted from or compiled based on the Bank's audited annual accounts for the financial year 1 January to 31 December 2014.

There are no significant changes from the previous reporting period in terms of scope, boundary or measurement methods of the Report. Where there has been any restatement of information provided in previous Reports, reasons for such restatement are provided.

### Reporting Period

Financial accounts data are for the financial year 1 January to 31 December 2014. Other information covers the same period unless otherwise stated.

### Report Coverage

This Report covers Hang Seng's Hong Kong operations, unless otherwise stated. Hang Seng's mainland China business operations are excluded. The Report covers operations that are under Hang Seng's direct control and provides information on the Bank's efforts to have a positive influence on the sustainability awareness and activities of its employees, customers, suppliers, business partners and the wider community.

### Reporting Guidelines

Financial and corporate data included in this year's Report are directly comparable with data from the Bank's 2013 Report unless otherwise stated. The Report has been compiled with reference to the internationally recognised Global Reporting Initiative (GRI G3.1) sustainability reporting guidelines.

### Assurance

This Report has been independently verified and has achieved a GRI application level of A+.

### Data Collection

Collection of data for this Report has been coordinated by the Bank's CSR Sustainers through consultation with relevant teams and individuals. Hang Seng has published an annual online Report since 2006. Hang Seng's last Report was published in June 2014.

## Chief Executive's Message

With deep roots in Hong Kong, our success is closely intertwined with the development of our city, and our ability to build effective dialogue with various sectors of our community. Serving half Hong Kong's adult population and a growing number of customers in mainland China, open communication and building strong ties are essential to upholding our core values.

Our approach to sustainable development emphasises regular contact with a diverse range of stakeholders. This strategy enables us to carry on the conversations that ensure our activities as a financial institution and good corporate citizen remain responsive, relatable and relevant to the needs and priorities of those we serve and who underpin the long-term growth of our business.

Our annual Corporate Sustainability Report sets out our sustainability principles and practices, and provides information on our progress towards achieving our objectives.

We were the first local bank in Hong Kong to use the internationally recognised Global Reporting Initiative (GRI) sustainability reporting guidelines and, for our 2011 Sustainability Report, the first to gain an A+ rating – a rating we have maintained for four consecutive years.

For the past three years, we have been the only Hong Kong company included in the 'Global 100 Most Sustainable Corporations in the World', compiled by Corporate Knights. In 2011, we became the first local Hong Kong bank to be included in the Dow Jones Sustainability Asia Pacific Index.

We continually take steps to improve the sustainability performance of our own operations, encourage our stakeholders to act as agents of positive change and leverage our corporate strengths in planning an effective sustainability strategy.

The Bank's senior executives lead by example in lending their experience and expertise to a wide range of social development projects. Beginning on 1 January 2015, Bank staff can now take up to two days of volunteer leave per year to support worthy causes. Over the past five calendar years, Bank volunteers and their family members have contributed around 120,000 hours in service to the community.

Our corporate sustainability programmes focus on promoting an inclusive and vibrant society by providing opportunities for personal exploration, achievement and growth, particularly for young people and socially disadvantaged groups.

Our youth development initiatives aim to improve social mobility and provide young people with the opportunities, experiences and skills they need to find their passion, fulfil their potential and become personally involved in contributing to a positive future for our city.

We nurture young sporting talent through the Hang Seng Table Tennis Academy (HSTTA), which provides specialist training for rising stars of tomorrow and fun table tennis events for the wider community. With HSTTA having organised about 5,000 activities since its establishment in 2001, we are delighted to see our long-term support for this project reap rewards for Hong Kong, with Academy graduates Lee Ho-ching and Ng Wing-nam winning bronze medals at the 2014 Asian Games.

As we strive to enhance service excellence and ensure our long-term success, maintaining constructive conversations with our customers, staff and the wider society will remain at the heart of our values, business strategy and commitment to the sustainable development of the Greater China region and the communities that support us.

**Rose Lee**  
**Vice-Chairman and Chief Executive**  
**Hang Seng Bank**



## Our Values - Strategy

Stakeholder engagement is central to our strategy for sustainable success. Maintaining an active, open and ongoing dialogue with customers, staff, shareholders and the broader community enables us to respond rapidly to new business opportunities and enhance our reputation for service excellence, effectively manage risks and new developments in the market, and make meaningful contributions to the long-term growth and well-being of the economies and populations that support us.

This emphasis on community development in managing our business has earned us the loyalty of customers and established Hang Seng as a trusted brand. Our strong reputation as a sustainability leader will continue to distinguish us from our peers, inspire our people and enhance our stakeholder value.

## Our Values – Materiality Assessment

For the purposes of sustainability, our standard of materiality is defined as follows: Issues that could have a significant impact on the reputation or viability of our business and/or an impact on a stakeholder's decision as to whether or not to do business with Hang Seng.

### Identifying our material aspects

To identify our reportable material aspects, we aligned our stakeholder engagement process with the structure provided in the Global Reporting Initiative (GRI) sustainability reporting guidelines. We asked internal and external stakeholders to rank sustainability issues based on importance. This included asking managers from across different business functions and operations to rank the issues according to their significance to our business. We also considered qualitative feedback gathered through formal and informal meetings. This data was then used by our CSR Sustainers to plot and validate a materiality matrix.

### Hang Seng's Material Aspects



<p><b><u>Economic</u></b></p> <ol style="list-style-type: none"> <li>1. Economic performance</li> <li>2. Market presence</li> <li>3. Procurement practices</li> <li>4. Compliance</li> <li>5. Regulatory</li> </ol>	<p><b><u>Environment</u></b></p> <ol style="list-style-type: none"> <li>6. Energy and GHG emissions</li> <li>7. Waste</li> <li>8. Materials</li> <li>9. Water</li> <li>10. Biodiversity</li> </ol>	<p><b><u>Workplace Practices</u></b></p> <ol style="list-style-type: none"> <li>11. Employment practices</li> <li>12. Employee engagement</li> <li>13. Occupational health and safety</li> <li>14. Employee development</li> <li>15. Diversity and equal opportunities</li> </ol>
<p><b><u>Human Rights</u></b></p> <ol style="list-style-type: none"> <li>16. Human rights and non-discrimination</li> <li>17. Child labour and forced labour</li> <li>18. Security practices</li> </ol>	<p><b><u>Society</u></b></p> <ol style="list-style-type: none"> <li>19. Community investment</li> <li>20. Anti-corruption</li> <li>21. Public policy and advocacy</li> <li>22. Anti-competitive behaviour</li> </ol>	<p><b><u>Product Responsibility</u></b></p> <ol style="list-style-type: none"> <li>23. Customer satisfaction and responsibility / Customer experience</li> <li>24. Customer privacy</li> </ol>

## Our Values – Our Principles in Practice

Our mission is to be a profitable, growing business by exceeding the expectations of our stakeholders through service excellence based on core values that include integrity, innovation and financial strength.

Our objective is best achieved by maintaining a strong emphasis on responsible corporate practices throughout our operations and finding new and more effective ways to engage our customers, colleagues and local communities. How we do business is as important as what we do in continuing to refine our strategy for long-term growth.

This holistic approach supports good risk management, helps us pinpoint areas in which we can enhance efficiency and generates new business opportunities. It also offers us a competitive advantage as stakeholders increasingly focus on the social and environmental – as well as economic – performance of companies in the financial services industry.

## Our Values – Stakeholder Engagement

We use a variety of top-down and bottom-up approaches to openly, actively and effectively engage our stakeholders, which include customers, staff, shareholders, suppliers and business partners, regulators and the broader community (see table below).

Our efforts to maintain an ongoing dialogue with stakeholders not only focus on current issues, but also aim to assess the potential impact of emerging and/or longer-term trends. This allows us to be proactive rather than reactive in adapting our operational practices and sustainability activities to maintain our market leadership and strike an effective balance in addressing a diverse range of expectations, views and objectives, with the primary goal of optimising long-term outcomes for our business and our stakeholders.

By engaging in constructive development dialogue with our stakeholders through channels as diverse as staff CSR forums and community-based volunteer activities, we have identified those areas in which our efforts will have the greatest positive impact on sustainable development in Hong Kong.

Key Stakeholders	Primary Methods of Engagement
Customer	<ul style="list-style-type: none"> <li>customer satisfaction surveys</li> <li>customer loyalty events</li> <li>relationship manager visits</li> <li>daily operations/ interactions</li> </ul>
Shareholders	<ul style="list-style-type: none"> <li>Annual General Meetings and other general meetings</li> <li>corporate communications, including, but not limited to, letters/circulars to shareholders and notices of meetings</li> <li>interim and annual reports</li> <li>results announcements</li> </ul>
Employees	<ul style="list-style-type: none"> <li>staff opinion surveys</li> <li>focus groups</li> <li>face-to-face interviews</li> <li>performance and development discussions</li> <li>business briefings</li> <li>volunteer activities</li> <li>CSR forums</li> <li>staff intranet</li> </ul>
Analysts / investors	<ul style="list-style-type: none"> <li>results announcements</li> <li>senior management meetings</li> </ul>
Business partners	<ul style="list-style-type: none"> <li>reports</li> <li>meetings</li> <li>visits</li> <li>gatherings</li> <li>relationship-building events</li> </ul>

Key Stakeholders	Primary Methods of Engagement
Regulators	<ul style="list-style-type: none"> <li>• meetings</li> <li>• compliance reporting</li> </ul>
Media	<ul style="list-style-type: none"> <li>• media briefings</li> <li>• press materials</li> <li>• senior management interviews</li> <li>• results announcements</li> <li>• social gatherings</li> </ul>
Non-governmental organisations (NGOs)	<ul style="list-style-type: none"> <li>• volunteer activities</li> <li>• community investments and donations</li> <li>• meetings</li> <li>• CSR forums</li> </ul>
Financial sector peers	<ul style="list-style-type: none"> <li>• strategic collaborations</li> <li>• Group circulars</li> <li>• Group 'town hall' meetings</li> </ul>
Professional bodies	<ul style="list-style-type: none"> <li>• meetings</li> <li>• regular visits</li> <li>• memberships</li> <li>• working groups</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>• vendor management processes</li> <li>• meetings</li> <li>• site visits</li> </ul>



## Our Values – Continual Improvement

Good corporate citizenship is not a static goal, but an ongoing process that requires monitoring, maintenance and a willingness to strive for continual improvement. We have worked hard to bring our sustainability reporting in line with the internationally recognised GRI guidelines – enabling us to evaluate our progress in a standardised manner and benchmark our performance against large listed corporations in Hong Kong and leading financial institutions around the world.

In addition to GRI requirements, the content and structure of our 2014 Report reflects a number of other factors, including:

- Issues identified through the CSR Sustainers workshop (see below)
- Issues arising from stakeholder engagement initiatives
- Issues commonly identified in the banking and finance industry, including benchmarking against other financial institutions
- Use of the materiality assessment and Hang Seng Sustainability Matrix
- Reference to ISO 14001 environmental standards
- Reference to the *Environmental, Social and Governance (ESG) Reporting Guide* issued by the Stock Exchange of Hong Kong Limited

We continue to promote a business culture that encourages our employees to keep corporate sustainability at the centre of our operations. Our CSR Sustainers play a crucial role in motivating and mentoring their colleagues and ensuring we uphold our principles and enhance our sustainability performance (see box: CSR Best Practice: Building Responsibility From Within).

### CSR Best Practice: Building Responsibility From Within

To further enhance employee support for our approach to corporate sustainability, we organised our first inter-departmental CSR Sustainers workshop in 2011. These workshops, which have since become an annual event, help us identify our material corporate sustainability issues and ways in which to further enhance engagement with internal and external stakeholders.

Key responsibilities of our CSR Sustainers include:

- Ensuring that our day-to-day business operates in line with our sustainability beliefs
- Collecting and recording data to facilitate sustainability reporting
- Taking the lead in developing and promoting new sustainability initiatives

We held two CSR forums in 2014 for a total of 550 members of staff. Dr Ko Wing-man, Secretary for Food and Health, shared his insights into the satisfaction and fulfillment that comes from participating in and contributing to volunteer activities. Mr Andrew Fung, Executive Director and Head of Global Banking and Markets of Hang Seng Bank, and Mr Chua Hoi-wai, Chief Executive of the Hong Kong Council of Social Service, discussed their experiences in planning their careers and taking part in youth work.



### Sustainable Business Success: Keystone Principle and Core Values

How we do business reflects our core values, which underlie our decision making, policies and actions. These values also provide the foundation that supports our keystone principle – an unwavering commitment to service excellence.

#### Keystone Principle

**Service Excellence:** Achieving service excellence in all our stakeholder relationships is the keystone of our strategy for long-term business success.

#### Core Values

**Courageous Integrity:** We act with courageous integrity in all we do, standing firm for what is right, regardless of any pressure to act differently. We make decisions without fear but without ever compromising the high ethical standards and integrity on which our business is built. Our people are dependable, open to different ideas and cultures, and connected to our customers, communities and each other.

**Financial Strength:** Maintaining strong financial fundamentals gives us the ability to create long-term value for shareholders and make the best possible contribution to community betterment through economic growth and support of social and environmental development.

**Leadership and Innovation:** We are the leading domestic bank in Hong Kong, with a strong brand, extensive branch network and large base of customers. We work hard to maintain our reputation as a local pioneer in business best practice and as an innovator in product and service development. We lead by example in considering sustainability and corporate responsibility issues.

**Transparency and Clear Communication:** Our credibility is closely tied to quality of the information we provide to stakeholders. We continue to develop new and effective ways to engage stakeholders to better understand their priorities and concerns and to communicate clearly about all aspects of our business. We establish long-term partnerships with customers, business associates and community groups based on the loyalty and trust we build through championing open dialogue.

## Our Values – Hang Seng Sustainability Matrix



## Our Business – Who We Are

Founded in 1933, Hang Seng is one of Hong Kong's largest listed companies. Our market capitalisation as at 31 December 2014 was HK\$247.0bn. With more than 10,000 employees, we serve over half the adult population of Hong Kong – more than 3 million people – through about 240 service outlets. We also maintain branches in Macau and Singapore and a representative office in Taipei.

Established in 2007 and headquartered in Shanghai, our wholly owned mainland China subsidiary Hang Seng Bank (China) Limited operates a network of around 50 outlets in Beijing, Shanghai, Guangzhou, Shenzhen, Fuzhou, Nanjing, Dongguan, Hangzhou, Ningbo, Tianjin, Kunming, Xiamen, Chengdu, Foshan, Zhongshan, Huizhou, Zhuhai, Jiangmen and Shantou.

Hang Seng is a principal member of the HSBC Group, one of the world's largest banking and financial services organisations.

## Our Business – What We Do

The Bank's major business activities comprise retail banking and wealth management, commercial banking, global banking and markets, and private banking. The Bank also offers a comprehensive range of renminbi services.

### Retail Banking and Wealth Management

Retail Banking and Wealth Management activities offer a broad range of products and services to meet the personal banking, consumer lending and wealth management needs of individual customers. Personal banking products typically include current and savings accounts, mortgages and personal loans, credit cards, insurance and wealth management.

### Commercial Banking

Commercial Banking activities offer a comprehensive suite of products and services to corporate, commercial and SME customers – including corporate lending, trade and receivable finance, payments and cash management, treasury and foreign exchange, general insurance, key-person insurance, investment services and corporate wealth management.

### Global Banking and Markets

Global Banking and Markets provides tailored financial solutions to major corporate and institutional clients. Undertaking a long-term relationships management approach, its services include general banking, corporate lending, interest rates, foreign exchange, money markets, structured products and derivatives, etc. Global Banking and Markets also manages the funding and liquidity positions of the Bank and other market risk positions arising from banking activities.

## Our Commitment – Performance



Our operating principles and strategy are designed to enhance our position as the leading domestic bank in Hong Kong and a preferred choice of personal and corporate clients for wealth management and trade solutions in the Greater China region to achieve sustainable business growth while making a significant contribution to the positive long-term development of our communities.

External recognition of our business success during 2014 includes being named the Best Domestic Bank in Hong Kong for the 15th consecutive year by *The Asset*, named Hong Kong Domestic Trade Finance Bank of the Year by *Asian Banking & Finance*, and included among the world's Top 500 Banking Brands by *The Banker*.

In addition to providing quality banking and financial services, our investment in and active support for a broad range of youth development, social welfare, sports development and environmental stewardship initiatives is helping to create a well-educated, inclusive and healthy society that, in turn, will support our long-term business growth.

For the third consecutive year, we were the only Hong Kong company included in the 'Global 100 Most Sustainable Corporations' list compiled by *Corporate Knights*.

## Our Commitment – Performance – Performance by the Numbers

FINANCIAL	2014	2013*	2014 vs 2013
Operating profit (HK\$m)	19,450	18,410	+1,040
Profit attributable to shareholders (HK\$m)	15,131	26,678	11,547
Shareholders' funds (HK\$m)	139,193	107,778	+31,415
Total assets (HK\$m)	1,263,990	1,143,730	+120,260
Total liabilities (HK\$m)	1,124,797	1,035,952	+88,845
Earnings per share (HK\$)	7.91	13.95	-6.04
Dividends per share (HK\$)	5.60	5.50	+0.10
(percentage point)			
Return on average shareholders' funds (%)	13.40	25.40	-12.0 p.p.
Return on average total assets (%)	1.30	2.40	-1.1 p.p.
Cost efficiency ratio (%)	31.8	32.40	-0.6 p.p.
Average liquidity ratio (%)	34.70	34.90	-0.2 p.p.
<b>Capital Ratio under Basel II:</b>			
Capital adequacy ratio – as at 31 Dec (%)	N/A	N/A	N/A
Core capital ratio – as at 31 Dec (%)	N/A	N/A	N/A
<b>Capital Ratio under Basel III:</b>			
Common Equity Tier 1 ("CET1") Capital Ratio(%)	15.60	13.80	+1.80
Tier 1 Capital Ratio (%)	15.60	13.80	+1.80
Total Capital Ratio (%)	15.70	15.80	-0.10

\*Figure restated

Date coverage: Hang Seng Group

ECONOMIC	2014	2013*	2014 vs 2013
Tax expenses (HK\$m)	2,918	1,818	+1,100
Number of employee (31 Dec – FTE)	10,192	9,856	+336
Employee compensation and benefits (HK\$m)	4,616	4,432	+184
Number of shareholders (31 Dec)	19,844	20,012	-168

\*Figure restated

Date coverage: Hang Seng Group

COMMUNITY	2014	2013	2014 vs 2013
Number of outlets (31 Dec)	240	220	+20
Number of customers as at 31 Dec (m)	>3	>3	--
Charitable donations and community sponsorships (HK\$m)	31	27	+4

ENVIRONMENTAL	2014 <sup>#</sup>	2013 <sup>^</sup>	2014 vs 2013 (% change)
Greenhouse gas emissions (kilotonnes CO <sub>2</sub> ) <sup>Note A</sup>	24.71	24.31	+1.64
Electricity consumption (GWh)	35.19	35.27	-0.25
Water consumption ('000 m <sup>3</sup> )	68.48	64.81	+5.67
IT/electrical waste recycled (tonnes)	61.50	58.84	+4.52

Key: CO<sub>2</sub>: Carbon dioxide GWh: Gigawatt hours m<sup>3</sup>: Cubic metres

<sup>#</sup> From 1 Oct 2013 to 30 Sep 2014

<sup>^</sup> From 1 Oct 2012 to 30 Sep 2013

<sup>Note A</sup> Includes greenhouse gas emissions arising from energy

Examples of our indirect economic contributions include our strong support for small and medium-sized enterprises (SMEs). By working with these homegrown businesses, we support the local economy and create new local employment opportunities and wealth.

In addition to our direct economic contributions, our subsidiary Hang Seng Indexes Company Limited (Hang Seng Indexes) is compiling and managing the Hang Seng Index (HSI), which was launched in 1969, and an expanding range of other indexes tracking various segments of stock markets in Hong Kong and the Mainland. As the leading index tracking the Hong Kong stock market, one of the world's most important stock markets, the HSI indirectly provides a tool for trading the shares of blue-chip companies in Hong Kong. Hang Seng Indexes also launched Hang Seng Corporate Sustainability Index Series in 2010, the index series includes companies that perform well with respect to corporate sustainability and provides benchmark for responsible investments.

## Our Commitment – Performance – Recognition

### Business Awards and Recognition

Best Domestic Bank in Hong Kong (15th consecutive year)

*The Asset*

Ranked No. 14 in The World's Top 50 Safest Commercial Banks

*Global Finance*

Best SME's Partner Award

*The Hong Kong General Chamber of Small and Medium Business*

Best Local Cash Management Bank – Hong Kong

*Asiamoney*

Trusted Brands Gold Award – Bank (Hong Kong)

*Reader's Digest*

Trusted Brands Gold Award – Credit Card Issuing Bank (Hong Kong)

*Reader's Digest*

### Corporate Sustainability Recognition

Constituent stock of Dow Jones Sustainability Asia Pacific Index (4th consecutive year)

Constituent stock of FTSE4Good Global Index (13th consecutive year)

Only Hong Kong company on 'Global 100 Most Sustainable Corporations' list compiled by Corporate Knights (3rd consecutive year)

First local Hong Kong bank to attain A+ Global Reporting Initiative Sustainability rating for Corporate Sustainability Report (2011)

First local Hong Kong bank to attain ISO 14001 certification for all offices and branches (2011)

Constituent stock of Hang Seng Corporate Sustainability Index (5th consecutive year)

Hong Kong Council of Social Service Caring Company (12th consecutive year)



## Our Commitment – Performance – Credit Ratings

MOODY'S		
Hang Seng Bank	Long-term Bank Deposit (local and foreign currency)	Aa2
	Short-term Bank Deposit (local and foreign currency)	Prime -1
	Bank Financial Strength	B
	Outlook	Stable
Hang Seng China	Long-term Bank Deposit (local and foreign currency)	A2
	Short-term Bank Deposit (local and foreign currency)	Prime -1
	Bank Financial Strength	D+
	Outlook	Stable

STANDARD & POOR'S		
Hang Seng Bank	Long-term Counterparty Credit (local and foreign currency)	AA-
	Short-term Counterparty Credit (local and foreign currency)	A-1+
	Outlook	Stable
Hang Seng Bank	Long-term Counterparty Credit (local and foreign currency)	AA-
	Short-term Counterparty Credit (local and foreign currency)	A-1+
	Outlook	Stable

## Our Commitment – Corporate Governance



Our credibility as a leading financial institution in Hong Kong relies on our operational integrity and the transparency of the information we provide to stakeholders. Upholding strong corporate governance, adhering to the highest ethical standards and effectively managing risk are essential to being an accountable, transparent and well-managed company.

Compliance issues are discussed and reviewed by the Board of Directors and various Management Committees. The Board has collective responsibility for promoting the long-term sustainability and success of the Bank by providing entrepreneurial leadership within a framework of prudent and effective controls.

In doing so, the Board commits to high standards of integrity and ethics. Matters relating to internal control and risk management governance as well as policies and practices on compliance with legal and regulatory requirements are considered at Board meetings.

Our staff are on the frontlines in ensuring we always operate ethically, honestly and with full accountability, and in maintaining the strength of our corporate reputation. We provide employee training covering issues including banking regulations and codes of practice; illegal activities such as bribery and corruption, money laundering and insider trading; and equal opportunities and data privacy.

We have comprehensive systems to ensure the appropriate use and protection of all data, particularly in relation to customer information. We also have robust 'know your customer' and assessment processes designed to minimise our exposure to the risk of establishing relationships with individuals or organisations engaged in activities such as money laundering, terrorism and irresponsible environmental practices, and/or in operations that may involve forced or child labour or violate indigenous or other human rights.

## Our Commitment – Corporate Governance – Corporate Governance Structure



Hang Seng is committed to maintaining and upholding high standards of corporate governance with a view to safeguarding the interests of shareholders, customers, employees and other stakeholders. The Bank has followed the module on “Corporate Governance of Locally Incorporated Authorised Institutions” under the Supervisory Policy Manual (SPM) issued by the Hong Kong Monetary Authority (HKMA). The Bank has also fully complied with all the code provisions and most of the recommended best practices set out in the Corporate Governance Code contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (Listing Rules), save that the Risk Committee (all the members of which are Independent Non-executive Directors (INED)), which was established pursuant to HKMA’s SPM on corporate governance, is responsible for the oversight of internal control (other than internal control over financial reporting) and risk management systems. If there were no Risk Committee, these matters would be the responsibility of the Audit Committee, as provided under the aforesaid Corporate Governance Code. The Bank constantly reviews and enhances its corporate governance framework to ensure that it is in line with international and local corporate governance best practices. <sup>Note A</sup>

### Board of Directors

The Board consists of 16 Directors, of whom three are Executive Directors and 13 are Non-executive Directors (NEDs). Among the 13 NEDs, nine are INEDs. Four of the 16 Directors are female.

There is a strong independent element on the Board to ensure the independence and objectivity of the Board’s decision-making process as well as the thoroughness and impartiality of the Board’s oversight of Hang Seng’s Management.

Members of the Board, who come from a variety of different backgrounds, have a diverse range of business, banking and professional expertise. Both as individual Directors and collectively, the members of the Board possess appropriate experience, competencies and personal qualities, including professionalism and integrity, to discharge their responsibilities adequately and effectively. In addition, the Board collectively has adequate knowledge and expertise relevant to each of the material business activities that the Bank pursues, and their associated risks, in order to ensure effective governance and oversight.

The Bank uses a formal, considered and transparent procedure for the appointment of new Directors. Before a prospective Director’s name is formally proposed, opinions of the existing Directors (including the INEDs) will be solicited. The proposed appointment will first be reviewed by the Nomination Committee, taking into account the balance of skills, and knowledge and experience on the Board. Upon recommendation of the Nomination Committee, the proposed appointment will then be reviewed and, if thought fit, approved by the Board after due deliberation. In accordance with the requirement under the Banking Ordinance, approval from HKMA will also be obtained. All new Directors are subject to election by shareholders of the Bank at the next Annual General Meeting (AGM) after their appointments have become effective. Further, the Bank’s Articles of Association provide that all Directors shall be subject to retirement by rotation at least once every three years. Retiring Directors are eligible for re-election at AGMs of the Bank.

The Bank remains committed to meritocracy in the Boardroom, which requires a diverse and inclusive culture where Directors believe that their views are heard, their concerns are attended to and they serve in an environment where bias, discrimination and harassment on any matter are not tolerated. The Board has adopted a Board Diversity Policy, a copy of which is available on the Bank’s website ([www.hangseng.com](http://www.hangseng.com)), for better transparency and governance. Board appointments are based on merit and candidates are considered against objective criteria, having due regard for the benefits of diversity on the Board including, but not limited to, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

## Board Committees

The Board has set up five Committees, namely, the Executive Committee, the Audit Committee, the Risk Committee, the Remuneration Committee and the Nomination Committee to assist it in carrying out its responsibilities. Each of these Committees has specific written terms of reference which set out in detail their respective authorities and responsibilities. Each Committee reviews its terms of reference and effectiveness annually. The terms of reference of all the Non-executive Board Committees have been made available on the Bank's website ([www.hangseng.com](http://www.hangseng.com)).<sup>Note B</sup>

All Committees adopt the same governance processes as far as possible as the Board and report back to the Board on their decisions or recommendations on a regular basis.

### Hang Seng's Board of Directors

**16 Directors** Note D  
 - 3 Executive Directors  
 - 13 Non-executive Directors (9 Independent)  
 7 meetings in 2014

#### Executive Committee

**8 Members** Note D

Responsible for the management and day-to-day running of the Bank.

- Vice-Chairman and Chief Executive
- Executive Director and Head of Global Banking and Markets
- Executive Director and Head of Retail Banking and Wealth Management
- Chief Financial Officer
- Chief Operating Officer
- Head of Commercial Banking
- Head of Human Resources Chief Risk Officer
- 12 meetings in 2014

#### Audit Committee

**4 Members** Note D

Responsible for financial reporting, the nature and scope of audit reviews, the effectiveness of systems of internal control and compliance relating to financial reporting, and making recommendations to the Board on the appointment, re-appointment, removal and remuneration of the Bank's external auditor.

- 4 Independent Non-executive Directors
- 4 meetings in 2014

#### Risk Committee

**3 Members** Note D

Responsible for high level risk-related matters, risk appetite and tolerance, risks associated with proposed strategic acquisitions or disposals, risk management reports from the Management, effectiveness of the Bank's risk management framework and systems of internal control and compliance (other than internal control over financial reporting), and appointment and removal of the Bank's Chief Risk Officer.

- 3 Independent Non-executive Directors
- 6 meetings in 2014

#### Remuneration Committee

**3 Members** Note D

Responsible for making recommendations to the Board on the remuneration policy and structure in order to attract, motivate and retain quality personnel and determining the remuneration policy, and the specific remuneration packages of all Executive Directors, senior management and key personnel.

- 3 Independent Non-executive Directors
- 2 meetings in 2014

#### Nomination Committee

**5 Members** Note D

Responsible for leading the process for Board appointments, and identifying and nominating for the approval of the Board, candidates for appointment to the Board.

- 3 Independent Non-executive Directors
- 1 Executive Director
- 1 Non-executive Director
- 2 meetings in 2014

**Hang Seng Bank (China) Limited - Corporate Governance Structure** <sup>Note C</sup>

Hang Seng Bank (China) Limited (Hang Seng China) was established in 2007 and complies with all laws and regulations governing the set up and operation of mainland China subsidiaries of foreign banks.

**Board of Directors**

As at 31 December 2014, there were eight Directors on the Hang Seng China Board, including the Chairman, one Executive Director, who is also Vice-Chairman and Chief Executive of Hang Seng China, and six Non-executive Directors. Among the six Non-executive Directors, five are Independent Non-executive Directors.

**Board Meetings**

The Board held five meetings in 2014.

**Board Reports to**

Sole shareholder, Hang Seng Bank Limited.

**Board Committees**

As at 31 December 2014, the Board has set up five committees: the Executive Committee, the Audit Committee, the Risk Committee, the Connected Transactions Control Committee and the Remuneration Committee. Each committee has specific written terms of reference that set out its authorities, responsibilities and meeting rules.

**Hang Seng China's Board of Directors**

**8 Directors** Note D

- Chairman
- 1 Executive Director
- 6 Non-executive Directors (5 Independent)

5 meetings in 2014

**Executive Committee**

**13 Members** Note D

Responsible for the management and day-to-day running of Hang Seng China.

- Chief Executive
- Shareholder-designated Director
- 4 Deputy Chief Executives
- Chief Risk Officer
- Chief Financial Officer
- Chief Operating Officer
- Head of Global Markets
- Head of Retail Banking and Wealth Management
- Head of Human Resources
- Compliance Responsible Person
- 12 meetings in 2014

**Audit Committee**

**3 Members** Note D

Responsible for financial reporting, internal audit, the effectiveness of systems of financial-related internal control and compliance oversight.

- 3 Independent Non-executive Directors
- 4 meetings in 2014

**Risk Committee**

**3 Members** Note D

Responsible for high-level risk issues and risk management oversight.

- 3 Independent Non-executive Directors
- 4 meetings in 2014

**Connected Transactions Control Committee**

**3 Members** Note D

Responsible for formulating the policy relating to connected transactions and monitoring its implementation; and reviewing, monitoring and approving the connected transactions.

- 3 Independent Non-executive Directors
- 2 meetings in 2014

**Remuneration Committee**

**3 Members** Note D

Responsible for making recommendations to the Board on the remuneration policy and structure in order to attract, motivate and retain quality personnel; and the specific remuneration packages of Directors and senior management.

- 2 Independent Non-executive Directors
- 1 Non-executive Director
- Remuneration Committee was set up in Feb 2014 and held 1 meeting in 2014



### Supervisor

Hang Seng China has one supervisor, nominated by and reporting to the shareholder, who is required to sit in on all Board meetings. Hang Seng China's supervisor sat in on all Board meetings in 2014.

- Note A: More details of our actions and practices in this area can be found in the 'Corporate Governance and Other Information' section of our 2014 Annual Report.
- Note B: Details of Board Committees can be found on Hang Seng's website.
- Note C: All information provided on Hang Seng Bank (China) Limited is to be considered supplementary information for the purposes of this Report.
- Note D: As at 23 February 2015.

## Our Commitment – Corporate Governance – Risk Management

The effectiveness of our risk management policies and strategies is a key factor in our success.

The primary role of Internal Audit function (INA) is to help the Board and Executive Management to protect the assets, reputation and sustainability of the Bank. INA provides independent and objective assurance as to whether the design and operational effectiveness of the Bank's framework of risk management, control and governance processes, as designed and represented by management, is adequate. The Bank has adopted a risk management and internal control structure, referred to as the 'Three Lines of Defence', to ensure it achieves its commercial aims while meeting regulatory and legal requirements and its responsibilities to shareholders, customers and staff. INA's role as the third line of defence is independent of the first and second lines of defence.

The Bank has set up a Risk Management Committee (RMC) to oversee the risk management framework for the Bank and its subsidiaries. The RMC reports directly to the Executive Committee. Its main functions are to review all existing and potential risks on a systematic basis to ensure mechanisms exist for early identification of risks, adequate controls exist to mitigate risks, related potential returns take risks into account and that capital is appropriately allocated to manage risks, including but not limited to the eight types of risks stipulated in HKMA's SPMs, namely, credit risk, market risk, liquidity risk, interest rate risk, operational risk, legal and compliance risk, reputation risk and strategic risk.

The Risk Committee is established to be responsible for, among other things, the Bank's high level risk related matters, risk appetite and tolerance, risks associated with proposed strategic acquisitions or disposals, risk management reports from the Management and the effectiveness of the Bank's risk management framework and the systems of internal control and compliance (other than internal financial and compliance regarding financial reporting).

Risk Appetite Statement is a key component of risk management framework. The Group's Risk Appetite Statement for 2014 was approved by the Board as advised by the Risk Committee, which expresses the types and quantum of risk to which the Bank wishes to be posed and which not, on the basis of our core values, business strategy and risk management competencies. The setting of risk appetite is fundamental to the sound management of the Group and the setting and execution of business strategy. Our risk appetite framework is underpinned by the following core risk principles:

- Strong balance sheet and strong brand
- Healthy capital position
- Accountable use of shareholders' funds
- Conservative liquidity management
- Risk must be commensurate with returns
- Sustainable long term growth
- Risk diversification

These core risk principles are applied to define the Risk Appetite Statement on a Bank-wide and individual risk and business level, which cover key risk types and exposures that are faced by the Group's business activities. The RMC undertook regular reviews and monitors the Group's risk profile against the limits set out in the Risk Appetite Statement and determine appropriate management action if material exceptions from approved limits. Reports are submitted to the Risk Committee and the Board from the Chief Risk Officer on the actual profile and projected positions of the Risk Appetite Statement, including material exceptions and management action were required.

Product development and sign-off procedures are in place to ensure that the design of all new products and services are reviewed to ensure they meet market requirements and customer needs. All new products and material product variations must be approved by the Product Oversight Committee as a sub-committee of the RMC. The public release of any new product or service is subject to regulatory review on top of the internal control process.

We maintain documented Business Continuity Plans for critical operations and significant risks, including arrangements for recovery site operations and a clearing and settlement services contingency plan to ensure that critical operations remain functional in emergency situations.

We support international responsible financing principles and sector-specific guidelines to help manage environment-related sustainability risks (see 'Responsible Banking Services' section below). We also require that our credit assessment executives conduct a sustainability risk assessment of all credit applications - both new applications and annual reviews - by our business customers.

#### **Compliance**

Our key values include a solid commitment to quality, professionalism and integrity throughout our business. We have structures in place to ensure that our staff comply with both the letter and spirit of all relevant laws, codes, rules, regulations, guidelines and codes of conduct. In any jurisdiction where local compliance requirements are set at a lower standard than those established by our Group policies, our higher standards will apply where these do not contravene or conflict with local law.

Matters relating to internal control and risk management governance as well as policies and practices on compliance with legal and regulatory requirements are considered at Board meetings. Regular Business Governance Reports on financial crime compliance and regulatory compliance are submitted to the Executive Committee.

Among other things, the Audit Committee reviews our financial reporting, the nature and scope of audit reviews, the effectiveness of our systems of internal control, and compliance relating to financial reporting.

#### **Staff Code of Conduct**

To ensure the Bank operates according to the highest standards of ethical conduct and professional competence, all staff are required to strictly follow the Code of Conduct contained in our Staff Handbook. With reference to the applicable regulatory guidelines and other industry best practices, the Code sets out the ethical standards and values to which all Bank staff are required to adhere information on various relevant legal and regulatory issues. Topics covered include the prevention of bribery, use of information, insider dealing and personal investment dealing, personal benefits, outside directorships/employment and equal opportunities policy.

#### **Staff Awareness**

A key factor in ensuring legal and regulatory compliance, as well as guarding against illegal activities such as fraud and money laundering, is to maintain a high level of staff awareness through training. All employees must complete e-Learning programmes that cover anti-money laundering, sanctions, and anti-bribery and corruption issues to ensure that they are familiar with the relevant laws and regulatory requirements. Other compliance training programmes include those covering equal opportunities, data privacy, occupational health and safety, and code of banking practice.

#### **Conflicts of Interest**

We have procedures in place to keep information confidential and manage actual or potential conflicts of interest. Stringent internal structures have been designed to prevent the misuse of inside information and avoid conflicts of interest. Staff working in sensitive or high-risk areas are required to undergo additional job-specific training.

#### **Whistle-blowing**

We encourage the reporting of suspected internal business irregularities and provide clear channels specifically for this purpose.

### **Anti-Money Laundering and Counter Terrorist Financing, Sanctions and Anti-Bribery and Corruption**

We maintain consistently high financial crime controls everywhere we operate. The Bank has been actively managing financial crime risk to detect, deter and protect against financial crimes such as money laundering, sanctions-busting and bribery and corruption. We have stringent internal guidelines and procedure manuals that detail regulations, guidelines and Group policies with respect to customer due diligence, ongoing monitoring, financial sanctions and terrorist financing, and reporting of suspicious transactions, as well as related staff training and record-keeping. All Bank staff are required to observe such policies and practices.

We have a zero tolerance approach to bribery and corruption. Matters and policies in relation to anti-bribery and corruption are submitted to the Board and Chief Executive for consideration and comments. The Bank has also set up an Anti-Bribery and Corruption division under the Financial Crime Compliance to oversee the matters. Its main functions include, but are not limited to, the following:

- 1) reviewing gifts and hospitality received or offered by staff;
- 2) drafting policies and regulations governing the receipt and offer of personal benefits by staff; and
- 3) providing recommendations to the Chief Executive and the Board.

To ensure that our staff comply with the requirements imposed by different legislation and uphold high ethical standards, all employees are required to complete anti-bribery and corruption e-learning programmes. All business functions and units are also requested by the Management to ensure they comply with the policies regarding anti-bribery and corruption and gifts and entertainment.

### **Inside Information**

The Bank has put in place a robust framework for the disclosure of inside information in compliance with the Securities and Futures Ordinance. The framework sets out the procedures and internal controls for the handling and dissemination of inside information in a timely manner so as to allow shareholders, customers, staff and other stakeholders to apprehend the latest position of the Bank and its subsidiaries. The framework and its effectiveness are subject to review on a regular basis according to established procedures.

### **Data Privacy**

Ensuring the privacy of customer information and other data is among our most important responsibilities in maintaining our reputation for good governance and in establishing the trust that underpins lasting business relationships. We comply with all data privacy regulations and have formulated a set of 'Privacy Principles' to guide staff in protecting the data and privacy of customers. Specific processes for the handling and protection of customer data are set out in the relevant internal procedure manual. Data privacy matters are overseen by the Head of Regulatory Compliance and the Data Protection Officer. Data Controlling Officers have been appointed at a functional or business unit level to promote data protection and disseminate information on related new guidelines or developments.

### **Equal Opportunities, Anti-discrimination and Human Rights**

We comply with all relevant Hong Kong labour laws. We also take steps to assess potential new client and supplier relationships with the aim of minimising the risk of indirectly facilitating the violation of any individual's labour or human rights.

We provide a wide range of staff training on the equal opportunities, diversity and human rights-related issues that are relevant to our operations and to creating a positive working environment. We follow the Board's Diversity Policy, which was adopted by the Board in May 2013. More details on our equal opportunities policies and training can be found in the 'Our Commitment: Staff' section of this Report.

## Our Commitment – Corporate Governance – Responsible Banking Services

### Lending and Investment Policies

Our financing decisions reflect our business principles, risk assessment processes and the needs of our customers.

Our credit evaluation process includes assessment of any potential environmental or socially sensitive-related risks. Measures to enable us to monitor the implementation of and compliance with environmental and social requirements by our clients are included in our financing agreement credit assessment process. In cases of material deviation from the required standards, we will work with the customer to establish a target date for compliance. Where no progress is made or in instances of a serious breach, we will exit the relationship.

For environmental risk-related matters, we follow the sustainability risk requirements laid down in the Bank's Corporate Lending Guidelines and FAQ on sustainability risk policies. We have adopted the Equator Principles, a set of voluntary guidelines which define a process for implementing common sustainability standards in project finance. We also have specific guidelines on lending to businesses operating in environmentally sensitive sectors such as chemicals, energy, forestry, freshwater infrastructure, mining and minerals, agricultural commodities, and World Heritage Sites and Ramsar wetlands, and these are refined and updated as required. For instance, 100% certification is required for borrowers in forestry industry falling under the refined policy by Forest Stewardship Council U.S. (FSC) or Programme for the Endorsement of Forest Certification (PEFC) by December 2014. For palm oil, 100% Roundtable on Sustainable Palm Oil (RSPO) certification is required by 2018. We also have a Defence Equipment Policy which clarifies the Bank's approach to companies involved with weapons. The Bank will disseminate updates to environment or social risk-related policies to all relevant parties on a timely basis. The latest versions of the policies and guidelines can be accessed by relevant colleagues through the Bank's intranet at any time. The Bank also provided Sustainability Risk Seminar to increase colleagues' awareness. Training programmes for environmental and social policies are in place, including as part of our New Joiners Programme, to improve staff competency in implementing these policies and procedures as applied to our various business lines.

Environment-related impact assessments are a continuous process and have been incorporated into our standard credit evaluation process, e.g. the Sustainability Risk Rating for credit approval from time to time. Regular tracking reports are compiled by the Risk and Compliance Policy team with input from business units. For customers that are not able to comply with our environment policies and requirements by our specified deadline, temporary exemptions or time extensions must be applied for and approved. Failing this, our relationship managers will begin arrangements to exit the relationship. Regular dialogue is maintained between our Risk and Compliance team and middle-office operations of the Bank's business units.

## Responsible Financing

Our belief in promoting sustainable business practices means that we carefully assess potential environmental and social risks when deciding to make a loan or investment. The Bank has specific sustainability risk policies that deal with sensitive sectors such as forestry, agriculture, mining, energy, property and infrastructure development, and mechanisms to ensure our customers remain in compliance with these policies.

### **Forest Land and Forestry Products Sector**

Outlines how we will work with our customers to promote sustainable forestry practices.

### **Agricultural Commodities Sector**

Requires us to undertake special assessments of customers involved with soy, cattle ranching or rubberwood in certain high-risk countries.

### **Freshwater Infrastructure Sector**

Aims to ensure the consistency of our involvement in freshwater infrastructure projects, particularly from the standpoint of sustainable development.

### **Chemical Industry Sector**

Highlights the international, regional and national standards we conform to when lending to the chemical industry and outlines how we will work with our customers towards sustainable chemical manufacture.

### **Energy Sector**

Establishes sustainability standards for our involvement in this sector and for providing financial services to energy sector projects.

### **Mining and Metals Sector**

Sets out the principles and standards that govern our involvement in all areas of this sector, including exploration, extraction, mine closure and reclamation, and primary processing.

### **Defence Equipment Sector**

Establishes our position with regard to companies involved in the manufacture and sale of weapons.

### **World Heritages Sites and Ramsar Wetlands**

Aims to ensure we avoid supporting projects that may damage these sensitive areas.

Training programmes for environmental and social policies are in place, including as part of our New Joiners Programme, to improve staff competency in implementing these policies and procedures as applied to our various business lines.

## Our Commitment – Customers



Our commitment to customer-centred service puts strong emphasis on building lasting relationships. Since opening our doors more than 80 years ago, core values such as professionalism, passion and taking a prudent-yet-progressive approach have earned us the trust of more than 3 million people in Hong Kong.

We deliver service excellence by combining innovation with integrity in offering our products and services, including clear and honest information that is tailored to specific customer needs, open communication and full accountability in all our business dealings, and high respect for client privacy. We are strengthening connectivity with customers through a variety of channels with investments in digital services, network enhancement and product development.

We work to improve financial literacy within our community, with the objectives of empowering individuals and businesses to achieve financial security and move forward with their wealth management goals, irrespective of their income or circumstances.



## Our Commitment – Customers – Understanding Customers' Need



A deep understanding of the financial needs and objectives of our customers underpins our reputation for service excellence. We provide channels such as suggestion forms and hotlines for customer-initiated feedback. We proactively gather customer opinions - including through a comprehensive survey to assess business customer satisfaction - to enhance our ability to provide outstanding service. We identify our strengths, areas for improvement and industry best practice through local market benchmarking exercises. We also operate a mystery-shopping programme to monitor and ensure quality service by our frontline staff at branch outlets and MTR station offices. We use customer satisfaction surveys and focus groups to monitor our performance and ensure new products and services will meet the needs of their intended audience. We also continuously review the customer experience across service touchpoints to enhance our service delivery.

The annual Banking Study conducted by Added Value assesses customer satisfaction with respect to the eight major banks in Hong Kong. In the 2014 survey, we were the most recommended bank by customers. We also had the highest-rated banking services among the eight banks - a status we have maintained for 10 consecutive years.

We have participated in the Hong Kong Association of Banks' Annual Banking Services Survey since 2005. The survey gathers input from banks on general banking services and service channels in response to enquiries from and concerns expressed by the government, legislators and regulators.

## Our Commitment – Customers – Service Excellence

In upholding service excellence as our keystone principle, we continue to receive recognition for our banking and financial services.

Awards	Category
The <i>Reader's Digest</i> Trusted Brands 2015	Trusted Brands Gold Award in Bank Category Trusted Brands Gold Award in Credit Card Issuing Bank Category
<i>Sing Tao</i> Service Awards 2014	Banking - Branch Services Banking - Credit Card Services Internet Banking Services
<i>Ming Pao Weekly</i> Elite Awards 2014	星級財富管理銀行大獎
<i>EastWeek</i> Hong Kong Service Awards 2015	General Banking Services Award

## Our Commitment – Customers – Handling Customer Feedback

Business units, frontline staff and our Quality Assurance (QAD) are all responsible for receiving customer opinions, comments and suggestions. We have a standardised complaint-handling procedure to ensure customer feedback is dealt with in a consistent and efficient manner that abides by the service pledges contained in our internal procedure manual and external guidelines.

QAD, which is an independent unit, handles customer comments and assists business units in resolving complaints. QAD staff aim to acknowledge receipt of feedback or a complaint within two working days and resolve most issues within seven days. Should the matter require further investigation, QAD will undertake this task and provide a follow-up reply within 30 days. If QAD's investigations identify any issues that require remedial action, line management will take the necessary steps.

Senior management regularly review reports on customer suggestions, comments, compliments and complaints. Lessons learnt from customer feedback are communicated to staff to improve customer service and encourage best practices.

## Our Commitment – Customers – Access For All

Our aim is to provide convenient, secure and fast access to financial services. This includes harnessing the power of technology to offer our services across a wide range of platforms to give customers greater choice and control in managing their finances. It also means careful planning of our network of outlets and considering the special needs of different demographic groups in our community.

### Serving Special-needs Populations

We are working to improve special-needs access to our banking services. Our website is designed with readability and ease of navigation as priorities. We have 166 outlets (as of March 2015) with wheelchair access, including street-level branches, MTR branches and standalone automated banking centres. At the end of 2013, we began introducing 'Social Caring Counters' at selected branches. These designated counters provide priority service to the elderly, disabled people and other customers in need.

As part of our partnership with Hong Kong Seeing Eye Dog Services (HKSEDS), visually impaired customers have been able to bring their HKSEDS assistance dogs into our main branch's banking halls since 2012. Other initiatives under this partnership include some of our branches being designated as HKSEDS 'training sites'.

### Customer Convenience

Building on our strong market presence, 'iPoint' sales and service centre has been extended the presence from MTR to street level. In 2014, new 'iPoint' sales and services centres were set up in Kwun Tong, Mong Kok and Sheung Shui, adding to the two existing 'iPoint' centres in Central and Causeway Bay MTR stations. All iPoint centres operate from 11:30 to 19:30 from Monday to Saturday, and those in Causeway Bay, Mong Kok and Sheung Shui are also open on Sunday. The centres provide a range of services using a multimedia concept with particular appeal for busy professionals and younger customer segments.

Other technology-based initiatives include the 2013 launch of a first-of-its-kind near-field communication contactless payment channel that enables Hang Seng MasterCard holders to use their smartphones to make fast, secure payments at selected retail outlets.

At the end of 2014 we had 1.54 million Personal e-Banking customers - up by 7.7% compared with a year earlier.



### Transparency, Accountability, Choice

We are committed to providing clear, transparent and balanced information to our customers. Product features, terms and conditions, and any associated risks are clearly communicated to ensure customers can make an informed decision.

Where relevant, we present several product options so that customers can select the solution that best suits their requirements. It is our policy to sell products and services based on customers' specific needs, in line with our core values of providing 'the right product and service at the right time for the right customer in the right way' and 'ethical and fair dealings for long-lasting business'.

In addition to established due diligence requirements, new products and services are reviewed and approved for launch by a Product Oversight Committee that reports to the Risk Management Committee and includes senior executives from risk, legal, compliance, finance and operations/IT functions. Every new service and product is also subject to an operational risk self-assessment process, which requires the identification, evaluation and mitigation of potential associated risks.

### Customer Privacy

Ensuring the privacy of our customers' personal information and other data is critical in maintaining our reputation for good governance and establishing the trust that underpins lasting business relationships. We comply with all data privacy regulations and have established a set of 'Privacy Principles' to guide staff in protecting customer information. For more information, please see 'Data Privacy' in the Corporate Governance section of this report. Our branch facilities are designed to offer customers who need to discuss sensitive or confidential financial management matters an appropriate amount of privacy.

### Our Service Pledge

In addition to complying with external regulations and guidelines, we apply a set of internal 'Customer Fairness Principles'.

Treat Me Fairly	We will build honest relationships with customers and deliver products and services at a fair price.
Tailored Solutions	We will listen to customers and work to understand their needs in order to provide the most suitable products and services.
Keep Me informed	We will provide clear, transparent, relevant and timely communications that give customers all the information they need to make informed choices.
Suitable Advice	When we provide advice to customers, it must be based on a full understanding of their needs and best reflect their circumstances.
Meet Commitment	When we make commitments to customers as to how a product or service will perform, we will always endeavour to deliver on these commitments.
Flexibility	We will provide customers with the ability to change products or services as their requirements change without enforcing unreasonable barriers. If a customer wishes to complain or make a claim, the process will be easy to understand.

We are also governed by Hong Kong's Code of Banking Practice, HSBC Group's Group Standards Manual and our internal legal and compliance Functional Instruction Manual.

We provide a diverse range of personal banking and wealth management products to enable customers to select the solution that best suits their needs and is in line with their personal appetite for risk.

Our strong product manufacturing and distribution capabilities allow us to offer timely investment solutions to customers under different market situations and business conditions.

## Our Commitment – Customers – Championing Local Business

Building lasting partnerships with small and medium-sized enterprises (SMEs) is one of our key areas of focus. By working with these businesses, we support the local economy and can help create new employment opportunities and wealth.

We offer a wide range of products tailored specifically for SME customers and continue to enhance service delivery through better use of technology and improved relationship management. Our Trade Advisory Team provides support to SME customers in handling their trading business.

The Hang Seng Green Financing Scheme provides funding for Hong Kong-owned factories in the Pearl River Delta Region to acquire green equipment that will enhance energy efficiency and reduce pollution. For business customers that receive endorsement under the assessment process conducted by the Hong Kong Productivity Council (HKPC), we will offer financing of up to 100% on equipment financing loans, as well as other banking privileges and discounts on insurance.

We also actively participate in the SME Financing Guarantee Scheme supported by Hong Kong Mortgage Corporation, which helps SMEs acquire sufficient funding to meet their business needs.

We regularly run seminars for SME or corporate customers in collaboration with external parties or associations on topics related to financing solutions, taxation, investment market, to help improve financial literacy and increase awareness of relevant financial management tools.

Our commitment to supporting SME businesses earned us our ninth consecutive 'Best SME's Partner Award' from The Hong Kong General Chamber of Small and Medium Business in 2014.



## Our Commitment – Customers – Helping Customers Overcome Financial Challenges

We are committed to working with customers facing challenging financial situations.

For business customers, we provide assessment and advisory services to help them get back on track. We work with customers to assess their current position and use this to determine the best course of action. This may involve loan/debt rescheduling and restructuring including to work with the business through tough times.

Our internal guidelines for working with personal customers are based on the *Hong Kong Approach to Consumer Debt Difficulties* issued by the Hong Kong Monetary Authority. We have a dedicated unit for handling debt relief plans that will work with the individual(s) involved to review their specific circumstances. Where a genuine difficulty exists, solutions may include extending a repayment schedule or offering partial relief.

## Our Commitment – Customers – Community Outreach

At a broader community level, we are working in partnership with several local non-governmental organisations - including Caritas Family Crisis Support Centre and The Healthy Budgeting Family Debt Counseling Centre under Tung Wah Group of Hospitals - to help individuals in financial difficulty by offering them debt-restructuring services.

We have participated in the Financial Education Programme organised by the Hong Kong Association of Banks and the Hong Kong Council of Social Service since 2011 with the aim of sharing key concepts of savings and credit and strategies for sound financial management with low-income groups and single parent families.

We also offer specialised financial literacy programmes and seminars for customers. In 2014, these included a seminar on 'Shanghai-Hong Kong Stock Connect Investment Opportunities and Market Outlook in Mainland China and Hong Kong' for customers.



## Our Commitment – Customers – Service Environment



We aim to provide a comfortable, clean and safe environment in all our branches and service outlets. We design our premises with ease of navigation and health and safety as top priorities. We also have floor staff operating at our branches who are available to assist customers with enquiries.

Managing indoor air quality (IAQ) and ventilation systems is an important element of our health and safety responsibilities. To ensure that the IAQ at our branches and offices meets the 'Good Class' established in the Guidance Notes for the Management of IAQ in Offices and Public Places issued by Hong Kong Government's Environmental Protection Department, we regularly clean air filters and conduct IAQ measurements for monitoring and continuously improving the system performance.

The standard temperature set point in our offices and outlets is 24.5°C during the hot season, with the aim of striking a good balance between reducing our energy consumption while providing a pleasant environment for customers and staff.

To help ensure we maintain core banking services in a crisis or public emergency situations, we have a Major Incident Group to lead the implementation and monitoring of contingency plans specifically devised by various divisions of the Bank.

We implement a wide range of measures to minimise potential safety hazards for both staff and customers, including non-slip treatments on floor surfaces and use of clear and conspicuous signage for temporary safety hazards such as wet floors.

To help ensure our staff maintain good occupational health, we provide ergonomically designed furniture and related equipment.

All staff undertake relevant health and safety training and participate in emergency evacuation drills periodically organised by the Bank to ensure that they can identify, eliminate and/or mitigate any potential safety risk to customers, themselves. Fire Marshals have been appointed in all our premises. We also have arranged for a number of employees to acquire Qualified First Aider status and take First Aid refresher training courses for the benefit of their colleagues and customers in the event of a medical emergency or accident.



## Our Commitment – Suppliers



We rely on a range of vendors, agencies and third-party financial product suppliers to support the operation of our business. This enables us to offer enhanced products and services to customers but also exposes us to increased reputational and other risks. Effective supply chain management is therefore an important operational process and we have stringent standards for assessing suppliers, including requirements relating to environmental, social and ethical practices.

We require our suppliers to adhere to sustainable business practices and the principle of continuous improvement in performance. In return, we provide transparency and fairness in our procurement process and contractual arrangements. Our supply chain requirements are designed to not only safeguard our brand and our business, but also to promote responsible practices among other companies in our community.

## Our Commitment – Suppliers – Establishing the Right Business Partnerships

As a service-based business, supply chain management is not a primary driver of our sustainability performance. However, our relationships with contractors and suppliers represent an additional opportunity for us to encourage positive change among the broader business community. We must also protect our corporate reputation by requiring suppliers to demonstrate a commitment to sound operating values.

We have clear policies for selecting contractors that will provide services in full compliance with our supplier sustainability standards, which cover areas such as ethics, health and safety, employment policies and human rights-related issues, and environmental performance.

We do not operate in environments that entail a high risk of human rights violations and assessment of our operations has not revealed any risk relating to the exercising of freedom of association or collective bargaining rights. Under the current system of assessment, none of our major suppliers and contractors has been identified as having significant risk for incidents of child or forced labour. Nonetheless, we are committed to protecting human rights in the workplace, as established by internationally accepted principles such as those in the Universal Declaration of Human Rights and in the Codes of Practice on Employment promulgated by the Equal Opportunities Commission in Hong Kong. Our Equal Opportunities Policy is stipulated in our Human Resources Manual.

Suppliers must comply with our Ethical and Environmental Code of Conduct for Suppliers of Goods and Services (available for review at: [www.hsbc.com/about-hsbc/procurement](http://www.hsbc.com/about-hsbc/procurement)). All of our suppliers have committed to respecting the human rights of their employees and of individuals in their communities and to comply with all relevant legislation, regulations and directives in the countries and communities in which they operate.

Our supplier pre-qualification documents ask contractors to complete a questionnaire covering environmental issues, including whether they have an established environmental management system and/or have attained ISO 14001 accreditation, which is assessed as part of the tender process.

Suppliers with whom we have regular and recurring dealings must have demonstrable management processes in place to ensure they comply with our Code of Conduct and must make reasonable efforts to monitor and ensure that their own supply chains are aware of and comply with such standards.

Our procurement policy also governs internal control of operating and capital expenditures, covering all purchases and expenditure by the Bank. The policy aims to support operational efficiency, segregation of duties, and the requirement to make the 'best buy', as well as ensure transparency throughout the procurement process.

## Our Commitment – Suppliers – Monitoring Our Supply Chain

We continue to monitor supplier practices following their appointment and reserve the right to randomly review a supplier's policies, procedures or any other document related to our Code of Conduct. In some cases, we may request an on-site audit.

Our procurement is done on a competitive basis and we have strict procedures governing staff conduct when handling procurement issues. In 2014, we held two workshops to ensure relevant staff understand our vendor risk management policies and procedures.

We use e-procurement systems to reduce paper consumption and lead times as well as enhance supplier control and information management. We encourage our suppliers and contractors to use or offer environmentally friendlier or recycled products whenever possible.

For third-party suppliers of financial products and services, we only work with highly reputable organisations that have a demonstrable track record of high corporate standards. We have rigorous assessment procedures in place to ensure any investment or insurance solution we intend to offer to customers not only meets regulatory requirements but also our internal standards.

## Our Commitment – Staff



Our people are more than just employees – they are the ambassadors, relationship builders and public face of our business. To successfully establish long-term customer and community relationships we provide our most valuable assets with the support, skills and working conditions they need to deliver service excellence.

The human resources policies of the Bank are designed to attract people of the highest calibre and to motivate them to excel in their careers, as well as uphold the Bank's brand equity and core values.

We provide a wide range of staff training and development programmes with the aim of cultivating a team of professionals that will contribute to our success.

We promote a culture of personal and professional respect among colleagues and provide a safe, inclusive and dynamic work environment that emphasises equal opportunities for all.

We continue to strengthen employee engagement through various channels and activities. We maintain open channels for dialogue between senior management and staff at all levels, and encourage employees to take full ownership of their role in our business success.

We support our people in managing their personal and professional commitments through flexible work arrangements and other family friendly policies. We provide opportunities for our staff to become more involved in the development of the community in which they live and work through our Bank Volunteer team activities.

We are one of Hong Kong's largest listed companies, with a full-time equivalent staff of 10,192 as at 31 December 2014.

## Our Commitment – Staff – Promoting High Performance

The Bank has a well-established system for appraising and improving employee performance.

On an annual basis, every employee will work with his or her manager to jointly establish clear, challenging but achievable work objectives, a career development plan and measurable performance standards. Manager and employee will maintain a continuous dialogue regarding the employee's performance and career development progress during the year, and have at least two formal performance reviews that will include discussion on the employee's performance and progress, and feedback on mid-year checkpoint / year-end ratings in line with the Bank's employee assessment framework.

## Our Commitment – Staff – Training and Skills Development

We allocate ample resources to staff training and development with the aim of sustaining a competent, professional and ethical staff force that will contribute to the success of the Bank.

Our commitment to staff development is also aligned with the expectation that authorised institutions should engage and deploy personnel with sufficient skills, knowledge, professional qualifications, experience and soundness of judgment for the discharge of their duties. Depending on their role, staff members will receive relevant training in areas such as financial knowledge, banking products and operations, compliance, risk management, leadership & management, and sales & relationship management. Reinforcement and refresher training programmes to ensure employees have the latest information and skills to carry out their duties to the highest standards.

Other internal training offerings are designed to help employees develop their capabilities, advance their careers and enhance their management and interpersonal skills. We also operate the Staff Education and Professional Qualification Award Scheme that supports members of staff who wish to further their higher education (e.g. undergraduate and postgraduate degrees) and/or attain professional qualifications.

To support new recruits and help establish a common mission for the entire Hang Seng team, we run a New Joiners induction programme that gives all new employees a good understanding of Hang Seng's history, vision, culture, values and corporate governance.

The 'Introduction to Environmental Management System' training programme was put in place to improve staff competency with respect to implementing environmental and social policies and procedures as applied to our business lines. This concept is also incorporated in the Bank-wide 'New Joiners Programme', which, among other goals, aims to enhance awareness of such policies and procedures, and the Bank's efforts in implementing them, among new staff. Green Ambassadors can also use the materials and concepts introduced in this programme to assist them in conducting environmental briefings with their departmental colleagues.

Our average number of training days per full-time member of staff in 2014 was six – the same as in 2013.



Training per employee	2014
<b>Training days</b>	
No. of days	6
<b>Training hours (by gender)</b>	
Male	50
Female	41
<b>Training hours (by employee category)</b>	
Executive	32
Officer	52
General staff	42

### Nurturing Talent and Succession Planning

With the aims of retaining talent and ensuring a quality internal pipeline, we identify and develop individuals displaying high potential to fill future leadership roles and other critical positions. We have a Leadership and Management Development framework in place to help top talent enhance their leadership capabilities, people management abilities and interpersonal skills (see box: Building Better Leaders).

## Building Better Leaders

The retention and development of top talent supports the sustainable growth of our business. Examples of the specialised training provided under our Leadership and Management Development programmes include:

### Performance Management Workshops

Training to help enable managers with people responsibilities to enhance their ability to engage in effective career development dialogue with their staff, build a values-led high performance culture through effectively providing performance feedback and conduct career conversations with their staff.

### Strategic Change Programmes

A series of programmes – Leading Change, Enabling Change, Embracing Change - to empower leaders and staff to lead, drive and support change that will contribute to the Bank's sustainable growth and success.

### Core Leadership Programmes

Workshop-style programmes – Leadership Transition Programme and Leader in You – to help young leaders to build and strengthen their leadership capabilities.

### New Joiners Programmes

A series of virtual and instructor-led training programmes to help new joiners at all levels to understand and integrate with the Bank's culture and work environment.



## Management Trainee Programmes

Our Management Trainee programmes give graduates in Hong Kong and on the Mainland intensive training and exposure to different business segments with the objective of grooming participants to take up future management roles.

"Hang Seng provides an excellent platform and environment for personal and professional development that can lead to great success."

Derek Chow

2005 Management Trainee, Retail Banking and Wealth Management  
Head of Greater China Sales Development

"Through my experience with senior management mentors, I am truly impressed by the trust they place in Management Trainees."

Daniel Lam

2010 Management Trainee, Retail Banking and Wealth Management  
Investment Manager, Insurance Investment

## Our Commitment – Staff – Pay and Compensation

We offer competitive pay and employee benefits to attract talented staff and use a performance-based remuneration system to motivate and reward them in line with their contributions to growing our business.

Additional incentivisation is generated through the use of a variable pay scheme that is based on the performance of the Bank and individual employees. As part of our staff retention programme, we regularly review packages and career advancement opportunities, particularly for key positions, to ensure continuing market competitiveness.

### Fair Rewards for Equal Work

The Bank establishes and operates prudent human resources policies strictly in compliance with Hong Kong's legislation, ordinances and regulations.

An employee's remuneration is determined with reference to performance and market benchmarks. Wage levels are not differentiated by gender.

For temporary or part-time employees, legislative requirements and market practice provide the framework for the negotiation of contractually agreed benefits on an individual basis.

### Turnover Rate

Our voluntary turnover rate in Hong Kong for 2014 was 18.4%.

## Our Commitment – Staff – Employee Engagement and Communication

Effective communication is crucial in building a motivated and engaged workforce. Since 2007, we have conducted an annual staff survey to measure engagement levels and gain insights into perceptions regarding our performance against our strategic objectives and in cultivating a values-led culture. The results of this survey are used to identify the motivations, catalysts and barriers in achieving high performance.

In 2014, we continued with our Communication and Engagement Framework initiative, which is designed to assess staff understanding and acceptance of the Bank's vision and strategies through a mixture of cascading communications, leadership programmes and action-learning projects.

Information relating to employment matters, the Bank's business direction and strategies, and factors affecting the Bank's performance are conveyed to staff via different channels, including business briefings, circulars, individual e-mails to employees, and our intranet site, in-house magazine and morning broadcasts.

Due consideration is given with regard to the minimum notice period and appropriate communication channels for the implementation of any significant operational changes.

Employees are encouraged to engage in two-way communication with senior management or provide feedback through such initiatives as Chief Executive's Mailbox and Post-results Business Briefings.



## Our Commitment – Staff – Equal Opportunities, Diversity and Inclusion

Our employment practices do not discriminate on the grounds of sex, marital status or pregnancy, family status, race, religion, national or ethnic origin, or disability. In championing a diverse and inclusive workplace, we expect all members of our team to demonstrate appreciation, care and respect for each other, regardless of position, background, gender or age.

To help combat discrimination, harassment or victimisation in the workplace, we have an Equal Opportunities Policy in place and have issued additional more detailed policy statements on issues requiring special consideration. Our human resources policies comply with relevant government legislation, ordinances and regulations. The principles established in our Equal Opportunities Policy are incorporated into our Staff Code of Conduct with which all staff must comply.

All staff receive training on issues such as diversity and inclusion, equal opportunities and data privacy, including as part of our New Joiners programme. In 2014, we provided about 30,349 hours of training on policies, procedures, and building greater awareness of human rights issues that are relevant to our working environment and operations.

## Our Commitment – Staff – Occupational Health and Safety

Our concern for high standards of occupational health and safety (OH&S) in the workplace includes having engaged employees at all levels through committees, forums and working groups in the development of an OH&S policy and management framework.

In 2009, we became the first bank in the world to implement a certified BS OHSAS 18001:2007-compliant Occupational Health Safety Management System (OHSMS). Designed to reduce the exposure of staff, contractors and customers to health and safety risks associated with our business activities, the OHSMS is overseen by a Safety Management Committee (SMC) comprising senior management representatives, with responsibility for monitoring and advising on occupational health and safety programmes. The concerns and views of staff are represented by around 300 Job Hazards Analysis (JHA) Team members and Internal Safety Assessors and the Working Team of the SMC, which is a lower tier committee of the SMC comprising middle management representatives (see box: OH&S: Everyone's Business).

We provide a range of training courses to enhance the OH&S knowledge of our staff. We arrange for employees from different sites and business lines to acquire qualified first aider status so as to offer prompt assistance to colleagues and customers in the event of a medical emergency or accident. A number of our qualified first aiders have been trained to operate the automated external defibrillators that are installed in various Bank premises.

We have developed a Contingency Plan for Communicable Diseases, which sets out the key issues to be addressed and the actions to be taken by various units in response to the occurrence of a serious communicable disease. Our intranet provides staff with information on the importance of personal hygiene and good health practices, and on the contingency measures that will be adopted to enable the Bank to continue to serve the community during an outbreak of a serious contagious disease.



### OH&S: Everyone's Business

Under our BS OHSAS 18001:2007 - OHSMS certification, we have established processes for addressing a broad range of OH&S issues at both Bank-wide and functional levels.

#### Issues discussed at a functional level

- Personal protective equipment
- Organisation and operation of the SMC
- Staff representative participation in health and safety inspections, audits and accident investigations
- OH&S training and education
- Complaints and reporting mechanisms
- Safe workplace rights

#### Issues discussed at a Bank-wide level

- Compliance with the International Labour Ordinance as required under the internationally recognised BS OHSAS 18001:2007 certification standards
- Arrangements and systems for resolving OH&S-related problems
- Commitments regarding target performance standards and levels of practice to apply

Occupational Health and Safety Statistics	2014
<b>Lost date rate</b>	
Male	1.83%
Female	5.23%
<b>Occupational injury rate</b>	
Male	0.06%
Female	0.13%
<b>Absenteeism rate</b>	
Absenteeism rate	1.77%*

\* includes sick leave & compensation sick leave days in 2014

## Our Commitment – Staff – Business Principles and Values

We have a set of well-founded business principles and corporate values that guide staff in upholding the highest personal standards of integrity and complying with the spirit and letter of all laws and regulations when conducting business. 'Courageous integrity' is the guiding principle whereby every employee has the courage to do the right thing without compromising ethical standards and integrity, and behaves in a 'Dependable, Open and Connected' way (see box: Acting with Courageous Integrity).

### Acting with Courageous Integrity

We empower our employees to always act in accordance with our core value of 'courageous integrity' and to be dependable, open and connected in all that they do.

#### **Dependable – do the right thing**

- Stand firm for what is right, deliver on commitments, be resilient and trustworthy
- Take personal responsibility, be decisive, use good judgment and common sense
- Empower others

#### **Open – to different ideas and cultures**

- Communicate openly, honestly and transparently, embrace challenges, learn from mistakes
- Listen, treat people fairly, be inclusive, value different perspectives

#### **Connected – to customers, communities, regulators and each other**

- Build connections, be aware of external issues, collaborate across boundaries
- Care about other people and their progress, show respect, be supportive and responsive

## Our Commitment – Staff – Work-life Balance

Employees who enjoy a good work-life balance are better equipped to give their best performance. We support our people in effectively managing their work and life commitments through initiatives including flexi-time arrangements, adoption leave and volunteer leave.

Apart from offering maternity leave to female employees, in 2008 we implemented a paternity leave scheme that gives fathers the chance to offer greater support to their families upon the arrival of a new baby. Up to 12 weeks' paid maternity leave will be granted to female employees. Up to five days' paid paternity leave will be granted to male employees. We offer adoption leave of the same respective lengths to female and male employees on their legal adoption of a child.

In 2014, 151 female employees and 109 male employees exercised their maternity, paternity or adoption leave rights. The return-to-work rate and retention rate following parental leave were close to 100% and 90% respectively.

To encourage more of our people to contribute to the community and experience the personal rewards that are gained from greater civic participation, eligible Hang Seng staff are now able to take up to two working days of volunteer leave per year to engage in charitable initiatives.

To foster good cooperation and communication among colleagues, we organised various social and recreational events in 2014 – including a singing contest and six sporting events under the Hang Seng Cup – through which more than 21,000 members of staff came together with their family and friends in a spirit of friendly competition and healthy fun.



## Our Commitment – Staff – A Statistical Snapshot Of Our People

### Headcount by Employment Type (full-time employee equivalent (FTEs))

	Hang Seng Bank & Others <sup>#</sup>		Hang Seng China		Total	
	Headcount	(%)	Headcount	(%)	Headcount	(%)
Full-time Permanent Staff	8,144	(98.4%)	1,793	(93.7%)	9,937	(97.5%)
Full-time Contract Staff	50	(0.6%)	121	(6.3%)	171	(1.7%)
Part-time Staff	34.52	(0.4%)	-	-	34.52	(0.3%)
Temporary Staff	49.47	(0.6%)	-	-	49.47	(0.5%)
<b>Total</b>	<b>8,277.99</b>	<b>(100.0%)</b>	<b>1,914.00</b>	<b>(100.0%)</b>	<b>10,191.99</b>	<b>(100.0%)</b>

### Headcount by Employment Type and Gender

Hang Seng Bank & Others <sup>#</sup>	Male	Female	Total	(%)
Full-time Permanent Staff	3,442	4,702	8,144	(98.4%)
Full-time Contract Staff	25	25	50	(0.6%)
Part-time Staff	4.52	30.00	34.52	(0.4%)
Temporary Staff	21.45	28.02	49.47	(0.6%)
<b>Total</b>	<b>3,492.97</b>	<b>4,785.02</b>	<b>8,277.99</b>	<b>(100.0%)</b>



**Headcount by Gender \***

	Executive	Officer	Clerical / Non-clerical staff	Total	(%)
<b>Hang Seng Bank &amp; Others #</b>					
Male	755	1,811	901	3,467	(42.3%)
Female	719	2,172	1,836	4,727	(57.7%)
Hang Seng Bank & Others <sup>#</sup> Total :	1,474	3,983	2,737	8,194	(100.0%)
<b>Hang Seng China</b>					
Male	152	237	212	601	(31.4%)
Female	221	532	560	1,313	(68.6%)
Hang Seng China Total :	373	769	772	1,914	(100.0%)
<b>Overall</b>					
Male	907	2,048	1,113	4,068	(40.2%)
Female	940	2,704	2,396	6,040	(59.8%)
Overall Total :	1,847	4,752	3,509	10,108	(100.0%)

**Average Age\***

	Executive	Officer	Clerical / Non-clerical staff	Overall
Hang Seng Bank & Others <sup>#</sup>	41	35	38	37
Hang Seng China	38	32	28	32
Overall	41	35	36	36

### Average Years of Service\*

	Executive	Officer	Clerical / Non-clerical staff	Overall
Hang Seng Bank & Others #	11	10	14	11
Hang Seng China	5	4	3	4
<b>Overall</b>	<b>10</b>	<b>9</b>	<b>11</b>	<b>10</b>

### New Hires by Age Group and Gender\*

Age Group	Male	Female	Total	(%)
Below 30	764	774	1,538	(76.2%)
30 to 39	166	192	358	(17.7%)
40 to 49	34	68	102	(5.1%)
50 to 59	11	9	20	(1.0%)
60 or Above	-	1	1	(0.0%)
<b>Total</b>	<b>975</b>	<b>1,044</b>	<b>2,019</b>	<b>(100.0%)</b>

Data Coverage: Hang Seng Bank and Others#

### New Hires who Left the Bank by Age and Gender Group\*

Age group	Voluntary		Involuntary		Total	(%)
	Male	Female	Male	Female		
Below 30	108	122	29	19	278	(77.7%)
30 to 39	23	31	7	3	64	(17.9%)
40 to 49	7	4	1	-	12	(3.4%)
50 to 59	1	2	1	-	4	(1.1%)
60 or Above	-	-	-	-	-	-
<b>Total</b>	<b>139</b>	<b>159</b>	<b>38</b>	<b>22</b>	<b>358</b>	<b>(100.0%)</b>
<b>Grand Total</b>	<b>298</b>		<b>60</b>			

Data Coverage: Hang Seng Bank and Others#

**Employees who left the Bank by Age and Gender Group\***

Age group	Voluntary				Involuntary				Total	(%)
	Male		Female		Male		Female			
	Head count	Turnover Rate (%)	Head count	Turnover Rate (%)	Head count	Turnover Rate (%)	Head count	Turnover Rate (%)		
Below 30	400	5.0%	448	5.6%	61	0.8%	32	0.4%	941	(52.2%)
30 to 39	172	2.2%	219	2.7%	31	0.4%	17	0.2%	439	(24.3%)
40 to 49	41	0.5%	109	1.4%	16	0.2%	8	0.1%	174	(9.7%)
50 to 59	43	0.5%	34	0.4%	66	0.8%	47	0.6%	190	(10.5%)
60 or Above	2	0.0%	1	0.0%	35	0.4%	21	0.3%	59	(3.3%)
<b>Total</b>	<b>658</b>	<b>8.2%</b>	<b>811</b>	<b>10.2%</b>	<b>209</b>	<b>2.6%</b>	<b>125</b>	<b>1.6%</b>		
<b>Grand Total</b>	<b>1,469 (18.4%)</b>				<b>334 (4.2%)</b>				<b>1,803</b>	<b>(100.0%)</b>

Data Coverage: Hang Seng Bank and Others<sup>#</sup>

\* excluding part-time and temporary staff

<sup>#</sup> 'Others' includes Macau/overseas and other Mainland operations (~0.9% of total headcount of Hang Seng Group)

## Our Commitment – Environment



The health of our planet and its natural resources has a fundamental impact on all of us and is a collective responsibility that cannot be ignored.

Beginning with our own operations, we implement policies and practices that help conserve resources, improve energy efficiency and raise environmental awareness among our staff and business partners. We use the platform provided by our extensive network of service channels and relationship-orientated business to communicate and encourage greener practices among our customers and the broader community.

We continue to enhance the environmental knowledge and understanding of our staff through talks, workshops, and fundraising and volunteer activities organised in association with local green groups. These activities empower our staff to act as ambassadors for the environment, spreading positive green messages among their family members and social peers, and helping groups of young people learn more about low-carbon living, tree conservation and recycling through various community initiatives - thereby planting the seeds of environmental stewardship in the hearts and minds of future generations.

We consider the environmental impact of our business travel policies and are working to reduce non-essential travel through increased use of alternatives such as teleconferencing.

## Our Commitment – Environment – Greening Our Operations

In 2011, we became the first domestic bank in Hong Kong to achieve ISO 14001 certification for its entire network of offices and branches.

The Bank established an Environmental Policy in 2003 and, since then, the Environmental Management Committee has closely monitored our environmental management system (EMS) to ensure it continues to meet ISO 14001 standards. The Committee is also responsible for ensuring that our EMS and business strategies complement each other in support of the objective of continuous improvement.

The Bank has annual environmental targets that aim to minimise the negative impacts of our business, and engage in activities that have a positive effect on the environment.

Our e-Statement and e-InvestAdvice services offer e-Banking customers the option to receive account statements and other notices in electronic rather than paper format. At the end of 2014, the number of e-Statement subscribers was more than 1.56 million and over 123,000 customers were using e-InvestAdvice - collectively saving more than 45 million sheets of paper a year. By the end of 2014, 30% of our credit card customers receive electronic statements rather than physical copies, and e-channels accounted for 25% and 16% of applications for credit cards and personal loans respectively.

Designed specifically for full-time tertiary students at local universities and tertiary institutions, our Green Banking Integrated Account encourages greener banking practices by offering a range of environmentally friendly financial services.

As part of our commitment to protecting the world's precious natural resources and working to maintain the fragile balance of ecological systems, we stopped serving shark's fin at Bank functions in 2003 and have since removed endangered reef fish species from our menus. We also provide a WWF (Hong Kong) endorsed sustainable seafood menu at our banquet hall.

Through training programmes and our internal practices, we empower our staff to act as Green Ambassadors among their associates, families and friends by raising their awareness of environmental issues.

We closely monitor our greenhouse gas emissions (see table: Environmental Performance) and continue to take steps to stay abreast of environment-related regulatory developments that could directly or indirectly impact our business. We continue to participate in the Carbon Disclosure Project, which provides a forum for the world's largest institutional investors to collectively consider the business implications of climate change.



Environmental Performance	Unit	2014 <sup>^</sup>	2013 <sup>#</sup>
<b>Carbon Dioxide Emissions*</b>			
Total CO <sub>2</sub> emissions	tonnes	24,998.78	24,634.95
- Energy	tonnes	24,707.00	24,307.27
- Business Travel	tonnes	291.78	327.68

Environmental Performance	Unit	2014 <sup>^</sup>	2013 <sup>#</sup>
Total CO <sub>2</sub> emissions per FTE	tonnes/FTE	3.12	3.11
- CO <sub>2</sub> emissions per FTE from energy	tonnes/FTE	3.08	3.07
- CO <sub>2</sub> emissions per FTE from business travel	tonnes/FTE	0.04	0.04
CO <sub>2</sub> emissions per sq ft	tonnes/sq ft	0.02	0.02
<b>Resources Consumption</b>			
Total energy consumption	Gj	128,018.71	128,498.30
- Electricity	Gj	126,672.27	126,986.40
- Other fuel sources (gas and diesel)	Gj	1,346.44	1,511.90
Energy consumption per FTE	Gj/FTE	15.97	16.24
Energy consumption per sq ft	Gj/sq ft	0.09	0.09
<b>Water Consumption</b>			
Total water consumption	000m <sup>3</sup>	68.48	64.81
Water consumption per FTE	m <sup>3</sup> / FTE	8.54	8.19
<b>Paper Consumption</b>			
Total paper consumption <sup>+</sup>	tonnes	2,053.37	2,018.85
- Compliant	%	98.49	92.68
- Near-compliant	%	0.54	1.24
- Non-compliant	%	0.98	6.08
<b>Waste Disposed to Landfill</b>			
Total Waste Disposed to landfill	tonnes	313.74	287.36
- General Office Waste	tonnes	289.93	287.36
- IT and electrical	tonnes	23.81	0.00
Waste disposed per FTE	tonnes/ FTE	0.04	0.04
<b>Waste Collected for Recycling</b>			
Total waste collected for recycling	tonnes	779.76	820.76
- General office	tonnes	682.88	761.92
- IT and electrical	tonnes	61.50	58.84
- Other waste	tonnes	35.38	--

*Data is round up to 2 decimal places.*

*Key: m<sup>3</sup>: Cubic metres CO<sub>2</sub>:Carbon dioxide Gj: Gigajoules FTE: Full-time equivalent employee  
sq ft: Square foot*

*# From 1 Oct 2012 - 30 Sep 2013*

*^ From 1 Oct 2013 - 30 Sep 2014*

*\* Data is calculated and verified through HSBC Group.*

*+ Paper*

*- Compliant Paper: Paper certified by an HSBC Approved Certification Scheme. Currently includes FSC, Canadian Standards Association, etc.*

*- Near-compliant Paper: Paper that contains virgin pulp whose source country is known and not on the high-risk country list; and/or completely recycled paper, but not certified by an HSBC approved scheme.*

*- Non-compliant Paper: Source country of the virgin portion is unknown or on the high-risk country list, and is not certified by any HSBC approved scheme.*



## Our Commitment – Environment – An Environmental Advocate

As one of Hong Kong's largest listed companies, we are well positioned to champion the cause of improved environmental stewardship. Our well-respected brand, extensive network of outlets and large customer base provide many valuable opportunities to communicate environmental messages to the community.

Since 2007, we have helped build 3,800 biogas facilities in rural areas of Yunnan Province under the Hang Seng Yunnan Biogas Project, organised in partnership with The Conservancy Association. This project is providing a free and stable source of energy to 14,000 rural residents and has cut annual carbon dioxide emissions by about 44,000 tonnes.

“Having the chance to see how the 'Hang Seng Yunnan Biogas Project' has brought positive changes to rural communities in Yunnan was a personally enriching experience. I am happy to have had the opportunity to contribute to social development and to help build greater understanding between different communities in China.”

Christine Chung  
Global Market Operations Department and Bank Volunteer

We also promote concern for the environment and conservation of natural resources through the activities of our Bank volunteer team and by supporting local non-governmental organisations and green groups - for example, Friends of the Earth (HK), WWF (HK) and Business Environment Council - as a corporate member. We also offer support to events and initiatives such as the 'Power Smart' Energy Saving Contest organised by Friends of the Earth (HK), which this year included an energy monitoring equipment lending programme for schools.

“We are very grateful to Hang Seng Bank for their support, which has enabled us to engage with the business sector and, subsequently, with schools, to expose students energy conservation issues in their own environment. We hope this first-hand experience will encourage them to share 'power smart' messages with their family and friends.”

Mr Edwin Lau MH  
Head of Community Engagement & Partnership of Friends of the Earth (HK)

Fundraising events such as the Green Power Hike and the WWF (HK)'s Walk for Nature saw members of staff get active to support worthy environmental causes.

Since 1999, we have planted around 93,000 trees in Hong Kong and on the Mainland.



## Our Commitment – Community



As the leading domestic bank in Hong Kong and a good corporate citizen, our commitment to serve our community extends beyond the provision of quality banking and financial services. We seek to have a positive impact on our communities and participate in a wide range of programmes and activities to promote social development, personal empowerment and long-term economic growth.

We believe in facilitating wider access to educational and social enrichment opportunities and in promoting the benefits of a healthy lifestyle. We also seek to inspire and empower underprivileged groups and break down barriers to social integration. By playing a part in creating an aspiring and compassionate population we are helping to ensure our own business will flourish in the years ahead.

Since 2005, we have provided over HK\$250m in financial support - including around HK\$31m in 2014 - for community development initiatives. In line with our belief that building strong human connections underpins lasting positive change, our staff also give their time to serve worthy causes. We also establish long-term partnerships with leading local non-governmental organisations and other institutions that are working to improve community well-being and build a bright tomorrow.

## Our Commitment – Community – Youth Development: Investing In Tomorrow

We reached out to more than 300,000 young people through about 200 Bank-sponsored activities in 2014, giving them the chance to broaden their horizons and learn valuable life lessons through work experience, educational achievement, community service and greater exposure to culture and the arts.

Our programmes aim to improve social mobility and contribute to creating a caring and cohesive society by empowering youngsters with the confidence, skills and enthusiasm to explore their potential and contribute to future growth.

### Key Initiatives

#### Inspiring New Generations For Positive Social Change

Our corporate sustainability activities place high importance on inspiring young people - particularly those from socially disadvantaged groups - to explore their interests, discover new talents, and unlock their potential and passion for making positive contributions to community well-being and the long-term growth of our city.

Our active involvement in programmes such as the Hang Seng - HKCSS Youth Career Exploration Programme, the Hang Seng Bank - G.P.S. Youth Employment Programme and the Hang Seng Youth Entrepreneurship Scheme reflects our commitment to improving social mobility and our belief in the high potential of all young people in Hong Kong.

"The Hang Seng Youth Entrepreneurship Scheme has given me practical business experience, expanded my professional network through meeting different businesspeople, and provided me with start-up funds. These powerful tools are helping me realise my dream: to establish my own board game design company."

Kenneth Yim  
Hang Seng Youth Entrepreneurship Scheme Participant

Jointly organised with the Hong Kong Council of Social Service (HKCSS), The Hang Seng - HKCSS Youth Career Exploration Programme nurtures a positive mindset towards career planning in Form 4 students and helps them identify their personal strengths by exposing them to the operations of companies in different industries. About 350 students have gained greater insight into how various career opportunities may align with their personal interests since the programme launched in 2013. Students taking part in the 2014-2015 programme will be exposed to four industries - Airport Operations, Design and Production, Healthcare and Nursing, and Theme Parks and Attractions.

Run in partnership with the Hong Kong Federation of Youth Groups, the Hang Seng Bank - G.P.S. Youth Employment Programme is pioneering the 'gap year' concept in Hong Kong, with a specific focus on low academic achievers. In 2014, about 20 students put their studies on hold for nearly a year to participate in work placements tailored to their interests and with the guidance of social workers. The programme is expected to benefit around 140 students in its first three years of operation.



The Hang Seng Youth Entrepreneurship Scheme offers youth at risk and young ex-offenders the chance to make a fresh start by developing their entrepreneurial skills. Senior Bank executives serve as guest speakers to offer participants the benefit of their practical business experience. The young entrepreneurs are guided through the process of turning their business ideas into credible plans. In 2014-2015, about 180 young people are expected to take part in the Scheme, which is jointly organised with the Society of Rehabilitation and Crime Prevention, Hong Kong.

Run in partnership with the Hong Kong Family Welfare Society (HKFWS), the Hang Seng - HKFWS Youth Mediation Scheme helps to improve communication, strengthen relationships and foster a positive attitude among students in resolving conflicts with their family members and peers. Over 300 students from 18 primary schools are being trained as 'Peer Mediators' in 2014-15, with assistance from more than 20 Hong Kong Institute of Education (HKIEd) students who have been trained as 'HKIEd Mediation Ambassadors'. Over 20 Bank volunteer team members have been trained as 'Hang Seng Mediation Ambassadors' to assist in a parent-child mediation workshop.

In providing around 360 young people with the opportunity to discuss important regional issues with distinguished community leaders through the award-winning Hang Seng Bank - Leaders to Leaders Lecture Series 2014, we aim to raise social awareness and interest in world affairs.

Our long-standing support for the Ming Pao Student Reporter Programme and our 20-year involvement in the Hang Seng Bank - Help the Police Fight Youth Crime Competition are helping young people develop the critical analysis skills and sense of civic responsibility that are important elements of a healthy, forward-thinking and inclusive society.

Our support for education includes donating over HK\$63m since 1995 under various scholarship schemes, benefiting more than 2,000 students in Hong Kong and on the Mainland. Every year since 2008, we have awarded a number of Community Service Scholarships to undergraduate students who have demonstrated their commitment to positive social development by giving over 100 hours in recognised voluntary service to worthy causes in Hong Kong in the previous 12 months.

## Our Commitment – Community – Promoting Greater Understanding Through Cultural Programmes

Our efforts to promote the arts reflect our belief in the power of cultural experiences to spark the imagination, encourage creativity and break down social barriers.

Over 2,000 students from 70 secondary schools gained a greater appreciation for modern Hong Kong history in 2014 through their participation in the Hang Seng - Jao Tsung-I Academy History and Cultural Scheme. The Scheme included a historical photo exhibition that was visited by more than 30,000 people.

To promote greater understanding and compassion across the generations, Hang Seng Student and Community Matinees Programme, organised in cooperation with The Hong Kong Repertory Theatre, gave 800 students and members and volunteers of Hong Kong Family Welfare Society the chance to attend an exclusive performance of a play, 'The Last Supper', that explores the issues faced by individuals seeking to communicate their inner feelings to their families.

Our sponsorship of Hong Kong Arts Festival and Hong Kong Philharmonic Orchestra student ticket schemes benefited 26,500 students in 2014.





## Our Commitment – Community – Playing to Promote Good Health and Civic Unity

Our support for sports is aimed at promoting good health and spreading positive messages about the importance of setting goals, good teamwork and fair play.

Established in partnership with the Hong Kong Table Tennis Association in 2001, the Hang Seng Table Tennis Academy plays an instrumental role in identifying and supporting talented young players to hone their sporting skills and go on to achieve sporting glory in local and international table tennis events.

Since 1991, we have provided over HK\$38.5m to promote table tennis in Hong Kong, including HK\$7.5m to the Academy in 2013-15.



### Key Initiatives

#### Athletes Excel In International Sporting Arenas

The success of homegrown sporting talent brings all sectors of the community together by generating civic pride. We recognise and reward top local athletes whose sporting achievements are inspiring young people to work hard in pursuit of their dreams and persevere in the face of challenges. We also help nurture budding sporting talent with the potential to become tomorrow's sporting stars. Hang Seng Table Tennis Academy graduates include Lee Ho-ching and Ng Wing-nam, who both won bronze medals at the 2014 World Team Table Tennis Championships and 2014 Asian Games.

"I started training at the Academy at the age of seven and was provided with a strong foundation for pursuing my dream of being an internationally competitive table tennis player. I am thankful to have been identified by the Academy. My success is thanks to the efforts of my coaches."

Lee Ho-ching

2014 World Championship and Asian Games Medallist

Under the Hang Seng Athlete Incentive Awards Scheme, organised in partnership with the Hong Kong Sports Institute, we gave over HK\$11m in cash incentives to medal-winning Hong Kong athletes from the 2014 Asian Games and Asian Para Games, including HK\$800,000 to cyclist Lee Wai-sze for her gold medal wins in the Women's Keirin and Sprint events. To date, the Scheme has awarded more than HK\$43m to over 450 top local athletes.

## Our Commitment – Community – Serving Those Who Support Us

Since 2010, Bank volunteers and their family members have given nearly 120,000 hours in support to charitable events and other worthy causes, including through more than 130 volunteer activities organised by the Bank in 2014.



### Key Initiatives

#### Bank Volunteers - Ambassadors For Change

We seek to inspire staff to take Hang Seng's commitment to outstanding service beyond our walls to benefit the wider community. Members of our senior management team lend their knowledge and experience to various youth and social development activities. Our active Bank volunteer team provides colleagues at all levels with opportunities to give back to the society that helps support our business success.

To encourage more of our people to contribute to the community and experience the personal rewards that are gained from greater civic participation, beginning in 2015 Hang Seng permanent staff are now able to take up to two working days of volunteer leave per year to engage in charitable initiatives.

**"I have provided training and practical advice on entrepreneurship to ex-offenders through the Hang Seng Youth Entrepreneurship Scheme. I am very pleased to be able to assist in the rehabilitation of troubled young people by sharing my professional knowledge."**

Amos Chan  
Chief Operating Officer, Insurance



Our long-term partnership with The Community Chest of Hong Kong has raised close to HK\$67m for 155 local charities over the years, including more than HK\$20m through Dress Casual Day - an annual event we have supported since 1994.

Our support for the Hang Seng Bank - Regeneration Society Top Ten Regeneration Warriors Competition, under which 10 Regeneration Warriors share their insights and experiences in overcoming significant obstacles to live rewarding lives, helped to promote positive personal values to about 30,000 people in 2014.

We continue to facilitate charitable giving by our customers through our e-Donation service, which was recently extended to our e-Business Banking platform. Over HK\$28m has been donated via this service since its establishment in December 2001.



## GRI Content Index

### GRI INDEX

GRI Indicators	HKEx ESG Reporting Guide	GRI General Standard Disclosures	Reference
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#### Strategy and analysis

1.1		Statement from the most senior decision-maker of the organisation.	Chief Executive's Message
1.2		Description of key impacts, risks, and opportunities.	Our Values

#### Organisational profile

2.1		Name of the organisation.	About this Report
2.2		Primary brands, products and services.	Our Business
2.3		Operational structure, including divisions, operating units and joint ventures.	Our Business
2.4		Location of organisation's headquarters.	Our Business
2.5		Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Our Business
2.6		Nature of ownership and legal form.	Our Business
2.7		Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Our Business
2.8		Scale of the reporting organisation.	Our Business
2.9		Significant changes during the reporting period regarding size, structure, or ownership.	No significant change in 2014
2.10		Awards received in the reporting period.	Annual Report page 18 : Awards; 107 : Recognition Our Commitment : Performance; Customer

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#### Report Parameters

3.1		Reporting period (e.g., fiscal/calendar year) for information provided.	About this Report
3.2		Date of most recent previous report (if any).	About this Report
3.3		Reporting cycle (annual, biennial, etc.)	About this Report
3.4		Contact point for questions regarding the report or its context.	Contact Us / Feedback Form
3.5		Process for defining report content.	About this Report
3.6		Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	About this Report
3.7		State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	About this Report

## Verification Statement



### VERIFICATION STATEMENT

#### Scope and Objective

Hong Kong Quality Assurance Agency ("HKQAA") has been commissioned by Hang Seng Bank Limited ("Hang Seng") to conduct an independent verification of its Corporate Sustainability Report 2014 ("the Report"). The Report describes Hang Seng's efforts to support the principles of sustainable development during the calendar year of 2014. The Report focuses on the economic, environmental and social issues that contribute to the sustainability of Hang Seng and are of interest to stakeholders.

The aim of this verification was to provide a reasonable assurance on the reliability of the reporting contents. The Report covers the standard disclosures defined in the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines Version 3.1 (G3.1) with Application Level A+ and the Key Performance Indicators that define the Environmental, Social and Governance Reporting Guide (ESG Reporting Guide) of the Hong Kong Quality Assurance Agency.

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#### Methodology

The process applied in this verification was based on the current best practices including:

- ISAE 3000 - Assurance Engagements on Discrete Financial Statements of Historical Financial Information;
- G3.1 of GRI and the Financial Services Sector Supplement; and
- ESG Reporting Guide.

The verification process included reviewing of relevant documentation, interviewing responsible personnel with accountability for preparing the Report and verifying the selected representative sample of data and information presented in the Report. Raw data and supporting evidence of the selected samples were thoroughly examined.

#### Independence

HKQAA was not involved in collecting and calculating data, or in the development of the Report. HKQAA's activities are independent from Hang Seng.

#### Conclusion

It is the opinion of the verification team that the contents stated within the Report fulfills the Application Level A+ of the GRI G3.1 and covers the Key Performance Indicators of the ESG Reporting Guide. The Report provides a reliable, accurate and consistent reflection of Hang Seng's sustainability achievement of 2014. It is a fair and honest presentation of all material aspects of the Bank and no significant issues are omitted.

The materiality assessment approach has been continuously enhanced to prioritize latest sustainability issues of the Bank and timely addressed in the Report. In 2014, various engagement events were organized between the Bank and its stakeholders to facilitate timely response of stakeholders' concerns and expectations. The momentum of integrating sustainability into the Bank's day-to-day operations has been sustained with greater management commitments observed. Besides, Hang Seng's data and information management mechanism was found highly effective that underpinned the reliability of the contents stated within the Report.

#### Signed on behalf of Hong Kong Quality Assurance Agency

Connie Sham  
Verification Team Leader  
May 2015

Jorine Tam  
Deputy Director, Strategic Business

## Contact Us

Thank you for reading our Corporate Sustainability Report 2014. Your comments and suggestions play an important part in our efforts to continually improve our performance. We would greatly appreciate it if you could take a few minutes to complete our [feedback form](#).

You can also e-mail your comments to: [csreport@hangseng.com](mailto:csreport@hangseng.com).